UNION MARKETING (M) SDN. BHD.

v.

YEO SEO KHAI

HIGH COURT BORNEO, KUCHING
HAIDAR MOHD. NOOR J
[ORIGINATING MOTION NO. KG. 6 OF 1990]
19 JULY 1991

TRADEMARKS: *Registration of identical trademark by different proprietors - Effect of - Whether infringement - Concurrent use - 'Stocking' - Meaning of - Trade Descriptions Act 1972, ss. 16, 40(1)(d), (f) - Trade Marks Act 1976, ss. 6, 38.*

The applicant was issued with a certificate from the Penolong Pendaftar Cap Dagangan dan Paten certifying that they were the registered proprietors of trade mark no. 27954 in class 25 in respect of clothing for women, underwear and stocking bearing the trade mark '*Cheri Lon*'. The respondent was also earlier issued with a similar certificate which certified them as the registered proprietors of trade mark no. 22540 in class 25 for articles of clothing bearing the trade mark '*Cheri Lon*'. On 20 July 1990, the applicant was granted an *exparte* trade description order under s. 16(2) of the Trade Descriptions Act 1972 (the 1972 Act). This was the respondent's application to set aside the said order.

The issue was the effect of the registration of an identical trade marks by different proprietors.

Held:

[1] The word 'stocking' came within the meaning of clothing as stocking is a thing which a person wears. The respondent was therefore well covered in the distribution and sales of stocking bearing the trade mark '*Cheri Lon*' as envisaged by s. 40(1)(d) of the Trade Marks Act 1976 (the 1976 Act).

[2] Section 6 of the Trade Marks Act 1976 read with s. 40(1)(f) clearly shows that the law permits concurrent use of registered trade marks which are identical.

[3] The issue of the respondent not being a registered user under s. 38 of the Trade Marks Act 1976 is irrelevant as the respondent is not a registered user of the stocking "*Cheri Lon*" but is a distributor for the proprietor of the trade mark no. 22540, that is, New City (Bangkok) Co. Ltd. The respondent has shown that the stockings bearing "*Cheri Lon*" is a duly registered trade mark under the relevant law and it cannot be said therefore that the respondent as authorised distributor of the proprietor of the said trade mark, has infringed the applicant's registered trade mark for the law permits concurrent use of identical trade marks.

[Respondent's application allowed with costs, trade description order set aside.]

Case referred to:
Socooil Corporation Bhd. v. Ng Foo Chong & Anor. [1981] 2 MLJ 7 ***(cit)***

Legislation referred to:
Rules of the High Court 1980, O. 8 r. 2
Trade Descriptions Act 1972, ss. 16(1), (2), 40(1)(f)
Trade Marks Act 1976, ss. 6, 19(1), 38, 40(1)(d), (f)

For the applicant - K.C. Wong; M/s. K.C. Wong & Associates
For the respondent - Chan Kay Poh; M/s. Chan & Chan

JUDGMENT

Haidar Mohd. Noor J:

The applicant filed an *exparte* notice of originating motion pursuant to O. 8 r. 2 of the Rules of the High Court 1980 for an order under s. 16(1) of the Trade Descriptions Act 1972 in respect of the trade mark of "*Cheri Lon*" used in relation to stocking not manufactured by or distributed by the applicant shall be deemed to be a false trade description. It is supported by the affidavit of Lai Khan Loi, the manager of the applicant. On 20 July 1990 I granted order in terms. According to s. 16(2) of the Trade Descriptions Act 1972 such an order may be referred to as a trade description order.

Armed with the trade description order, a team of enforcement officers from the Ministry of Trade and Industry accompanied by the applicant's manager, Mr. Lai Khan Loi and the applicant's lawyer, Mr. K.C. Wong raided the respondent's firm at its premises at no. 21, Ban Hock Lane, Kuching on 8 August 1990. Though the respondent alleged that all articles of clothings bearing the trade mark "*Cheri Lon*" were seized from its premises, the trade description order would seem only to be confined to stocking (see encl. 5). Be that as it may, the respondent produced a certificate issued on 23 November 1989 by Penolong Pendaftar Dagangan dan Paten certifying that New City (Bangkok) Co. Ltd. are registered as proprietors of trade mark no. 22540 in class 25 in respect of articles of clothing bearing the trade mark "*Cheri Lon*" for a period of seven years from 30 December 1980 and that the registration has been renewed for 14 years from 30 December 1987 (see Exhibit 'A' to encl. 8). It would appear that a certificate was also issued by the Penolong Pendaftar Cap Dagangan dan Paten certifying on 23 November 1989 that the applicant is registered as proprietor of trade mark no. 27954 in class 25 in respect of clothing for women, underwear and stocking bearing the trade mark "*Cheri Lon*" for a period of seven years from 16 August 1983. It would appear also that the trade mark no. 27954 was renewed for a further 14 years from 16 August 1990 (see Exhibit 'Y' to encl. 18). Even though the certificate no. 22540 refers to clothing as opposed to certificate no. 27954 which specifies the types of clothing I am of the opinion that the word 'clothing' embraces stocking as well. According to *Collins Cobuild English Language Dictionary* the word 'clothing' consists of the things people wear and stocking definitely is a thing a person wears. It seems clear to me that the Registrar of Trade Marks and Patents issued two certificates to two different proprietors in respect of an identical trade mark - an indication that there appears to me to be an error on the part of the Registry staff for registration of trade mark no. 27594 and so admitted by its letter dated 18 March 1991 quoting s. 19(1) of the Trade Marks Act 1976 (see Exhibit 'B' to encl. 12). Be that as it may, in the face of the indisputable facts disclosed by the various affidavits filed in this case the issue is - what is the effect of the registration of an identical trade mark by different proprietors.

In *Socoil Corporation Bhd. v. Ng Foo Chong & Anor.* [1981] 2 MLJ 7, a case pertaining to s. 16 of the Trade Description Act 1972, the then Federal Court stated that:

> ...a person seeking to obtain an order under the said section needs to show two things, namely:
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> (a) that he is the proprietor of a registered trade mark; and
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> (b) that some other person is infringing that registered trade mark in the course of trade.

On the facts disclosed by the applicant in the *exparte* application for a trade description order it would seem clear that the applicant satisfied the Court of the two things needed as stated by the then Federal Court and hence the order was accordingly granted by the Court.

However, the facts disclosed by the respondent to set aside the trade description order seem to indicate a totally different picture altogether. It is not disputed that New City (Bangkok) Co. Ltd. has since 20 December 1980 been the registered proprietor of the trade mark no. 22540 in class 25 bearing the trade mark of "*Cheri Lon*" in respect of articles of clothing (see Exhibit 'A' to encl. 8). It was registered well before the registration of the applicant's trade mark. The respondent was appointed as distributor of all articles of stocking by the New City (Bangkok) Co. Ltd. (see Exhibit 'C' to encl. 8). As I am of the opinion that stocking come within the meaning of clothings the respondent is well covered in the distribution and sales of stocking bearing the trade mark "*Cheri Lon*" as envisaged by s. 40(1)(d) of the Trade Marks Act 1976.

Section 40(1)(d) reads:

> Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark:
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> (d) in relation to goods connected in the course of trade with the registered proprietor ... if, as to those goods ... the registered proprietor ... in conforming to the permitted use ... has at any time expressly or impliedly consented to the use of the trade mark;

Both the trade marks no. 27594 and 22540 were originally registered under the Trade Marks Ordinance (Cap. 62) of Sarawak. The Trade Marks Ordinance (Cap. 62) of Sarawak was repealed by the Trade Marks Act 1976 which came into force with effect from 1 September 1983 *vide* P.U. (B) 407/1983. In my view, s. 6 of the Trade Marks Act 1976 read with s. 40(1) para. (f) would seem to show clearly that the law permits concurrent use of registered trade marks which are identical as in this case, that is, "*Cheri Lon*".

So far as material, s. 6 of the Trade Marks Act 1976 reads:

> (1) There shall be kept and maintained at the Central Trade Marks office a register of Trade Marks ...
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> (3) The previous registers of trade marks kept under the repealed Ordinances shall be incorporated with and form part ... of the Register in accordance with the entries in the previous registers immediately before this Act comes into force.
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> (4) The incorporation of the previous registers into the Register shall have the following effect;
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> (c) Where a trade mark has been registered and entered in any of the previous registers by a proprietor for any one or two of the component regions of Malaysia and *an identical trade mark ... has been registered and entered in any of the previous registers by a different proprietor or proprietors for all or any one of the remaining component regions of Malaysia both the first-mentioned trade mark and the identical trade mark ... shall be deemed to be registered trade marks in the names of the respective proprietors under this Act subject to concurrent use of the trade marks by their respective proprietors ...*

Section 40(1)(f) of the Trade Descriptions Act 1976 provides:

> Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark:
>
> (f) the use of a trade mark, which is one of two or more registered trade marks which are substantially identical, in exercise of the right to the use of that trade mark given by registration as provided by this Act.

A number of irrelevant issues were raised by the applicant and I do not think it is necessary for me to consider them. Even the issue of the respondent not being a registered user under s. 38 of the Trade Marks Act 1976 is irrelevant as the respondent is not a registered user of

the stocking "*Cheri Lon*" but is a distributor for the proprietor of the trade mark no. 22540, that is, New City (Bangkok) Co. Ltd. In fact the packings clearly show the words "Product of Newcity" (see Exhibits H, I, J, L and M annexed to the affidavit of Lai Khan Loi at encl. 8) indicating that the stocking were manufactured by the respondent's supplier, New City (Bangkok) Co. Ltd. Clearly therefore the respondent has shown that the stockings bearing "*Cheri Lon*" is a duly registered trade mark under the relevant law and it cannot be said therefore that the respondent as authorised distributor of the proprietor of the said trade mark, has infringed the applicant's registered trade mark for the law permits concurrent use of identical trade marks.

In the circumstances the respondent has satisfied the Court that the trade description order should not have been granted to the applicant who either by design or omission failed to disclose the registration of trade mark no. 22540 in respect of the identical trade mark "*Cheri Lon*" by respondent's supplier, New City (Bangkok) Co. Ltd. I accordingly allow the application of the respondent with costs and set aside the trade description order and also order that the goods seized be returned to the respondent. Damages to be assessed by the Senior Assistant Registrar on a date to be fixed.

Also found at [1991] 3 CLJ 2602